

California Housing Finance Agency
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CALSTRS 80/17

I. **PROGRAM SUMMARY**

PROGRAM DESCRIPTION	The CALSTRS 80/17 program provides financing for teachers and other public school district employees who work in the State of California. The program consists of two loans provided by CalSTRS:
	1) A maximum 80% LTV 30-year fixed-rate, fully-amortizing first loan 2) A maximum 17% deferred-payment second loan
	The minimum CLTV is 90%.
	The CalSTRS silent second loan has a simple interest rate and is priced at the same rate as the first loan. Payments on the second loan are deferred for the life of the first loan (see Repayment of Silent Second Loan below).
	CalSTRS is the investor for both loans. Both loans are secured by one Deed of Trust and two Promissory Notes. CalHFA services the second loan.
TARGET MARKETS	This program is available to any teacher or public school district employee within the State of California.
PARTICIPATING LENDERS	First Mortgage CorporationCUNA Mutual Mortgage
BORROWER ELIGIBILITY	Borrowers must meet the following requirements:
PROPERTY ELIGIBILITY	Properties must meet the following requirements: Be a single-family, one-unit residence Approved condo projects (Freddie Mac guidelines) Approved attached PUD projects Detached PUD projects Leasehold and manufactured homes considered on a case-by-case basis (up to maximum 90% LTV)
DOWN PAYMENT REQUIREMENTS	3% minimum; 10% maximum.
BORROWER	The borrower must contribute 1% of the sales price towards the down

MINIMUM CONTRIBUTION	payment or closing costs. The remainder can be a gift from a relation with no repayment, or a grant from a government agency or employer-assisted housing program approved by CalSTRS and Mortgage Insurance Services.
TRANSACTION TYPE	Purchase and rate/term refinances; no cash-out refinances allowed.
MAXIMUM SALES PRICE	None stated.
MAXIMUM LOAN AMOUNT	(For both loans combined) High-Cost Area: \$550,000 Other Areas: \$450,000 High-cost counties include: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Benito, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.
INCOME LIMITS	None.
MORTGAGE INSURANCE	MI Premium Plan #805: Coverage: 100% of the second Note dollar amount Cost: 95 bps (calculated on total dollar amount of the first and second Notes) Due: Monthly
SELLER CONTRIBUTIONS	Seller contributions are acceptable, up to 3% of the sales price; must be used for non-recurring closing costs only.
BUYDOWNS	N/A
REPAYMENT OF SILENT SECOND LOAN	Refer to CalSTRS guidelines.
MORTGAGE INSURANCE SERVICES LOAN PROCESS FLOW	N/A
MAXIMUM	No stated limit.

II. UNDERWRITING CRITERIA

MINIMUM FICO SCORE	Borrowers must have a minimum FICO credit score of 620, or greater and 24 months of satisfactory payment history.
RATIOS	A total debt-to-income ratio cannot exceed 45% (no exceptions).
CASH RESERVES	Two month's cash reserves sufficient to cover PITI; funds from an individual retirement account (401k) may be considered towards cash reserves (excluding CalSTRS retirement account).
HOMEBUYER ED. REQUIREMENT	None.
AUTOMATED UNDERWRITING	Not allowed.
INCOME REQUIREMENTS	Refer to CalSTRS guidelines.

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only, and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.

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